IN THE

# Supreme Court of the United States

OCTOBER TERM, 1942

No. 945

No. 946

FORD MOTOR COMPANY,
*Petitioner*

*vs.*

GORDON FORM LATHE COMPANY,
*Respondent*

## PETITION FOR REHEARING

*To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:*

Petitioner filed its Petition for Writ of Certiorari herein and presented seven questions for the consideration of this Court. On June 7, 1943, this Court granted the Petition for Writ of Certiorari in the two cases above identified but limited the writ solely to the first question presented.

We realize fully if this Court should decide the Sixth Circuit Court of Appeals erred with respect to the point of law raised by our question No. 1 such a holding by this Court would completely dispose of the litigation and render unnecessary any consideration of the remaining questions.

We are also fully cognizant of the general rule of law that if a tribunal finds in any case, in which several questions of law may be raised, or presented, one question that is dispositive of the entire controversy, the Court need not, and ordinarily should not, deal with other questions which are rendered moot after disposal of the case on the first, or main, question.

*Altvater v. Freeman,* 57 U.S.P.I. 285,
*Cover v. Schwartz,* 133 F. 2nd 541.

Nevertheless, we respectfully request reconsideration by this Court of questions 2 and 3, of our Petition (pages 11, 13-14, 23-30) as to which we submit the decision of the Sixth Circuit Court of Appeals herein is in direct conflict with the established and authoritative rules of law enunciated by this Court. We are impelled to present this Petition for reconsideration and rehearing on these points not from the standpoint of the monetary interest of the petitioner but from the standpoint of the "public interest • • • • so frequently present, but so seldom adequately represented in patent litigation" (*Muncie Gear Works v. Outboard Marine & Mfg. Co.,* 315 U. S. 759.).

*POINT 2. On the proposition that an infringer is liable for actual and not possible gains.*

This point (Question No. 2) deals solely with the simple proposition as to whether or not the rule of law laid down by this Court in the case of *Tilghman v. Proctor,* 125 U. S. 136

> "that an infringer is liable for actual but not possible gains. The profits, therefore, which he must account for, are not those which he might reasonably have made, but those which he did make by the use of the plaintiff's invention" (125 U. S. 146) and that such profits are "to be ascertained by the manner in which the defendants have in fact conducted their business, and not by the manner in which they might have conducted it." (125 U. S. 151).

shall be recognized as the rule of law in the Sixth Circuit or be disregarded in that Circuit.

The holding of the Master, concurred in by the District Court and the Court of Appeals, in refusing to allow the cost of the additional straightening operation employed by defendant in its use of the infringing machines, was *not* a finding of fact of the type contemplated by Rule 52 (a) R. C. P., that should not be disturbed, but the situation is that the Master (R 41) and the Court of Appeals (R Vol. V, 20) *found the fact to be that the additional straightening operation had actually been employed by petitioner.* The Master recognized the rule of *Tilghman v. Proctor* (R 41) *but refused to follow* it, holding that if petitioner had modified the construction of the infringing machines, it might have eliminated the necessity for the use of the additional operation. Although

it might be argued the refusal to allow the cost of the straightening operation as a deduction, because the operation might have eliminated, should be considered as a fact finding, in reality it was a conclusion of law in direct conflict with the rule established by this Court in *Tilghman v. Proctor, supra* that "the expense of using the new process is doubtless to be ascertained by the manner in which the defendants have in fact conducted their business and not by the manner in which they might have conducted it." The refusal to allow a defendant a deduction for monies actually expended is, in effect also in direct conflict with the decision of this Court in the recent case of *Sheldon v. Metro-Goldyn Mayer,* 309 U. S. 390 as it would mean making an award to a plaintiff of profits that were never in fact realized and would result "not in doing equity but in inflicting an authorized penalty." (309 U. S. 405).

*POINT 3. On the proposition that respondent offered no proof to show what part of petitioner's gains were due to respondent's patent, and what to patentable improvements thereon not the property of respondent, whereas, petitioner's evidence did so discriminate.*

The Sixth Circuit Court of Appeals in refusing to apportion the alleged profits in the face of the total failure of respondent to offer any proof to controvert the following facts established by petitioner's proofs:

(a) that the infringing machines included patentable improvements covered by the later issued patents to Melling No. 1,512,995 (Ex. 312; R. 1171 and 1640-47) and No. 1,655,655 Ex. 209 R. 382 and 1558-66),

(b) that the inclusion of the inventions of these two patents were entirely responsible for those differences in operation between the infringing machines

(c) which rendered them useful to and usable by Petitioner (R. 782, 783, 794) and

(d) whereas the patented Gordon machine was found unusable by and devoid of any utility to Petitioner (87 Fed. 2d. 390),

decided a Federal question directly in conflict with the decisions of this Court in *Mason v. Graham,* 90 U. S. 261, *Keystone v. Adams,* 151 U. S. 139, *Westinghouse v. Wagner,* 225 U. S. 604 and *Sheldon v. Metro-Goldwyn Mayer, supra.*

The refusal of the Court below to apportion is also in direct conflict with the provisions of the applicable permissive statute R. S. 4921 that a complainant may recover only those profits realized by defendant "to which complainant is justly entitled." Furthermore it is in direct conflict, as stated by this court in the Sheldon case with the "principles governing equity jurisdiction * * * by allowing injured complainants to claim that which *ex aequo et bono* is theirs and nothing beyond this * * * (309 U. S. 399) that is all the statute authorizes and equity sanctions." (309 U. S. 406).

The decision of the Master in refusing to apportion the alleged profits was concurred in by the District Court without any comment or discussion and was based solely on the stated ground that as between the alternative of giving the respondent all of the profits or giving it none, he preferred to give it all (R. 71). The Court of Appeals in affirming the Master did not adopt the Master's reasoning or show any concurrence therewith but placed its refusal to apportion on the purely technical proposition of the matter of burden of proof. (R. Vol. V, 12).

## CONCLUSION

Even though this Court should eventually decide the Sixth Circuit Court of Appeals erred with respect to Question No. 1 and reach a conclusion on such question that would result in complete disposition of this litigation and render unnecessary any consideration of the questions of alleged profits, properly allowable deductions therefrom or apportionment thereof, with the ancillary mathematical computations involved, we most respectfully submit that in view of the great public importance of the matters raised by our questions numbered 2 and 3, this Court should not permit the decision of the Court below to stand as establishing rules of law for future litigation in the Sixth Circuit Court that are in direct conflict not only with the authoritative decisions of this Court, but also violative of the provisions of the pertinent statute (R. S. 4921) and thus enable unconscionable awards of alleged profits to be obtained which are neither authorized by the statute nor sanctioned by the principles of equity jurisprudence.

Wherefore your Petitioner respectfully requests reconsideration by this Court of Questions 2 and 3 and extension of the writ herein granted to include such questions.

Respectfully submitted,

DRURY W. COOPER,
JOSEPH FARLEY,
*Counsel for Petitioner.*

Dated: June 18, 1943.

I hereby certify that the foregoing Petition for Rehearing is filed in good faith and not for the purpose of delay.